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Housing Solutions for New Hampshire



NORTHERN NEW ENGLAND
HOUSING INVESTMENT FUND



New Hampshire Housing



FannieMae®

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Amherst, New Hampshire

Introduction

Housing Solutions for New Hampshire Communities

New Hampshire is facing a critical housing supply problem. This is true of housing units in all pricing categories, but is especially true of affordable units. With more than fifteen thousand new residents annually, and new jobs being created, “workforce” housing units in New Hampshire are becoming scarce. Having a range of housing types for all segments of the population should be a primary concern for all New Hampshire communities.

Regardless of future economic conditions in New Hampshire, the need for housing will not disappear. Housing costs continue to rise, and vacancy rates are nearly as low as they can get. Low and moderate income units are especially in short supply. So, for families with lower incomes, the housing options are fewer as well. Providing opportunities to create a range of housing alternatives locally will help the market respond to this supply problem.

Affordable units are defined as housing available to a household earning no more than 80% of the area median income, at a cost that is no more than 30% of their total household income.

Finding solutions to this housing challenge will require collaboration among all levels of government, and a wide range of stakeholders from home builders and realtors to conservation and economic development organizations. The focus of this handbook is on the range of tools and techniques that can be employed at the local level, and highlights a number of successful efforts.



Amherst, New Hampshire

Chapter 1 **New Hampshire's Housing Market**

In the last decade, 1993-2003, New Hampshire's estimated population grew by 14.75% - the highest percentage increase of any New England state. In fact, New Hampshire's population is estimated to grow an additional 7.5 % by the year 2010.

The state's economic growth during the 1990's created many benefits for much of our population. It also generated a demand for housing that has not been met with an appropriate level of new production. The results have been rising home purchase prices, record low vacancy rates, higher rents and, in general, a housing market which presents a significant affordability challenge for many of our citizens and a barrier to labor force development.

Businesses have experienced increased difficulty in recruiting and retaining employees who are unable to find reasonably priced housing. In this context, the lack of an adequate and diverse supply of housing is a limiting factor to economic growth.

There are a number of complex factors that contribute to the shortage of housing, and particularly affordable housing. However, it is clear that housing, as a commodity, has its price shaped by the supply and demand of the market. As in other markets, shortages in housing can occur in market segments, that is, there may be a shortage in smaller starter housing but not in large luxury housing. The shortage of rental housing may be more acute than the shortage of housing intended for owners. Where there is a shortage of housing, the

	US Census Population Growth Estimate 1993 – 2003
New Hampshire	14.7%
Connecticut	7.9%
Maine	7.8%
Massachusetts	7.0%
Rhode Island	6.4%
Vermont	5.4%

price goes up. In addition, where the cost to bring new housing to the market goes up, the price goes up. In both cases affordability decreases, effectively pricing-out many potential buyers.

The amount, type and affordability of housing in our communities is greatly influenced by the interaction of local decisions and the ambient economic conditions. Those decisions are based on established state and local laws and policies whose application and interpretation are critical to the development of a balanced housing supply. Yet the influence of local decisions may not always be apparent, especially since it is the combined decisions of many municipalities that affect a housing market area.

Land Costs and Housing

For a developer to finance a new housing development, the “all in” land cost will be approximately 25 - 33% of the finished value (the sale price). The “all in” land cost includes:

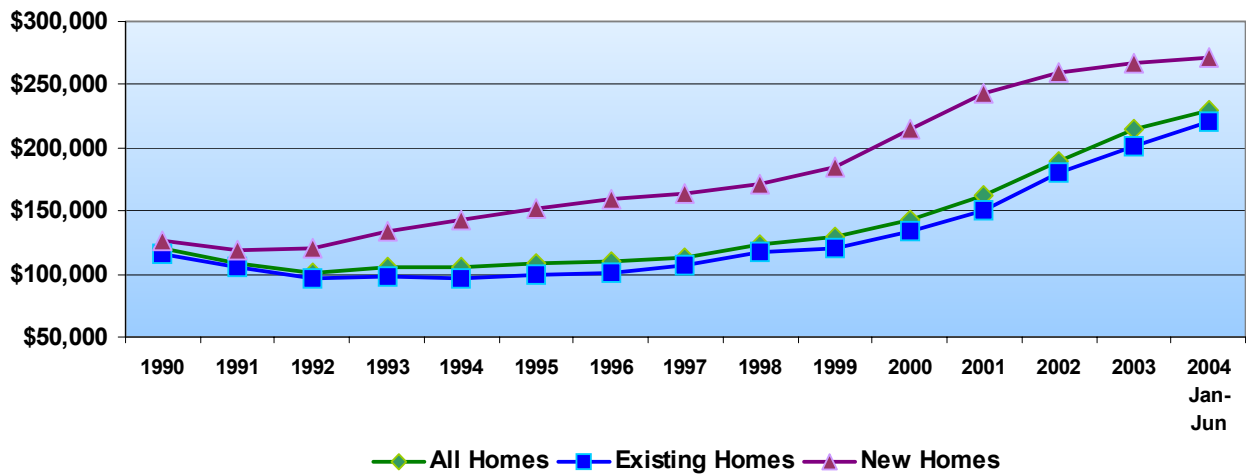
- Raw land, based on required minimum lot size, frontage and set-backs
- Engineering to local specifications
- Impact studies (environmental, historic, traffic, etc.)
- Cost of capital
- Site work
- Road construction to local specifications
- Public facilities installation
- Off-site improvements
- Impact fees

For every \$1 increase in the “all in” land cost there will be a \$3 to \$4 increase in the purchase price of the housing that is developed. This means that if a lot costs \$100,000 to purchase and prepare for building, it will likely generate a \$300,000 to \$400,000 house. Regulatory processes that impact the “all in” land cost have been adopted by communities, often without knowledge or concern of the impact on the resultant price of housing. These include growth control measures, impact fees, general planning and zoning requirements, the timing of regulatory reviews, and on- and off-site construction requirements. While addressing the concerns of current residents regarding new development, the effect on the number, type and affordability of units that are produced is enormous.

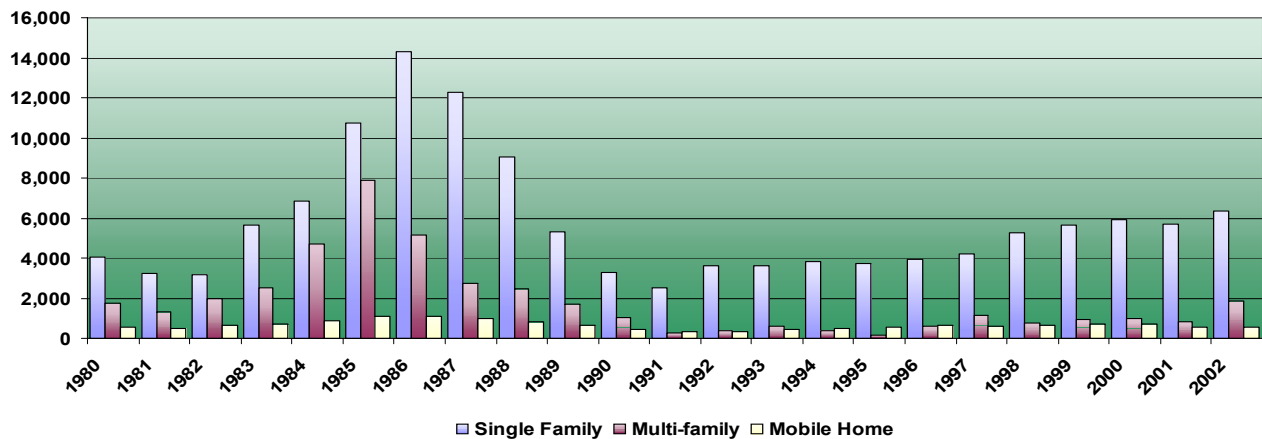
Impacts on Homeownership

Over 71% of households in New Hampshire own their own home. Most have benefited from a shortage of housing accompanied by low interest rates. As their property values increased, their equity in the property increased. Low mortgage interest rates allowed refinancing and provided cash to be injected into the economy, often in the form of investment back into their home. This practice helped the economy weather the mild recession in the first part of this decade. Concurrently, as the cost to construct new housing increased (partly due to local decisions affecting land costs) the inventory of housing-for-sale dropped below a 6-month supply by 1999, and purchase prices began to rise rapidly. While the shortage did produce a market response, as shown by the increased number of single family housing permits, the median purchase price was far higher than that which could be afforded by most newly formed households. The median purchase price of a newly constructed home rose to \$272,000 by June 2004. With the reinvestment of equity and a demand for housing greater than the supply, existing housing prices are beginning to approach the newly constructed housing prices. Rental housing production, on the other hand, has yet to recover from the recession of the early 1990's.

Median Purchase Price of Primary Homes



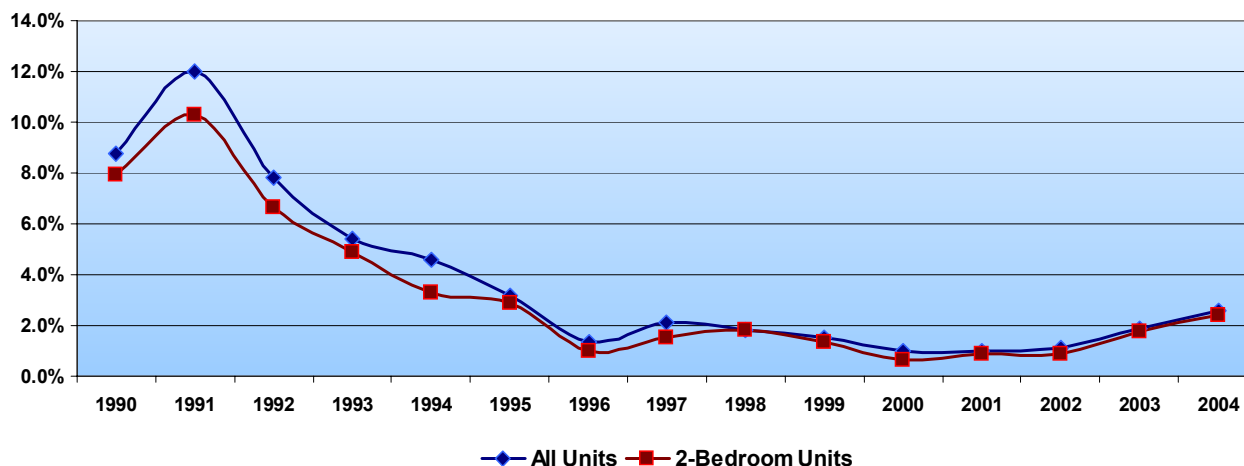
Housing Units Authorized by Permit



Impact on Rental Housing

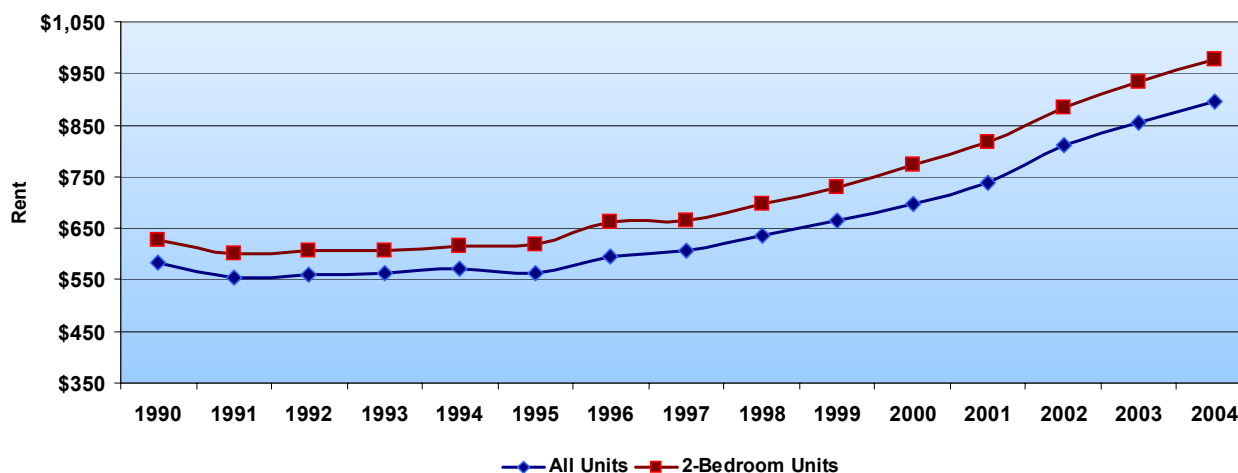
Growth in household formation, in-migration and high purchase prices have increased the demand for rental housing while the supply has lagged. In the 10-year period between 1990 and 2000 there was a net increase in rental housing units in the state of only 875 units or 87 units per year. The US Census Bureau's American Communities Survey suggests that between 2000 and 2003 the total number of rental units may have actually decreased as units were converted to owner occupied condominiums. High purchase prices for single-family detached homes and the low interest rate environment have put pressure on owners to convert rental units into starter homes. At the same time there has been a lack of production of new rental housing units. This shortage of rental units can be seen in the very low vacancy rate.

Vacancy Rate of Rental Housing Units



Vacancy rates below 5% indicate a shortage of rental housing. Such has been the case in New Hampshire since 1995 with the result being sharply increasing rental costs. High rents increase the demand for starter homes as those households with sufficient income look for ways to invest in home ownership.

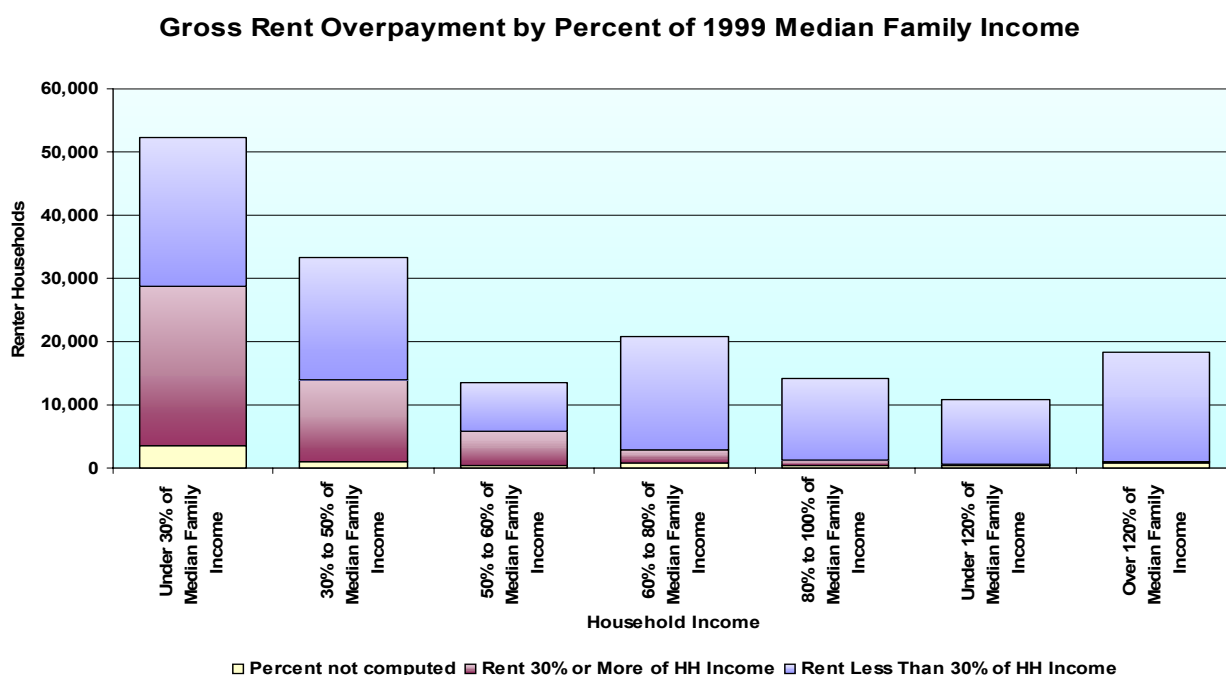
Median Gross Rental Cost



Future Housing Needs

Based on population estimates by the New Hampshire Office of Energy and Planning and employment estimates by the New Hampshire Department of Employment Security, 8,200 to 9,600 new units per year are needed to house all of New Hampshire's residents through 2010. The average number of permits issued from 2000 to 2002 was at the low end of that range. Furthermore, multi-family structures (including condominiums) made up only 15% of those permits indicating a continued shortage in rental units.

In addition to the production-based need above, housing need is often considered the need for *affordable* housing. While not a need for new units, a portion of new unit production could address some of the affordability need. As noted in the introduction, “affordable units are defined as housing available to a household earning no more than 80% of the area median income, at a cost that is no more than 30% of their total household income.” Typically the measure of this need is the number of renter households that are overpaying or “cost burdened.”



Since 1990 the number of households that are cost burdened has decreased by 2.4%. However, during the same period the number of cost burdened households with incomes of less than 50% of the median *increased by more than 10%* and for households with less than 30% of the median income, the *increase was 21%*. In effect, the housing costs rose while incomes in the lowest brackets remained stagnant. This has contributed to a number of indicators denoting an unbalanced housing market. These indicators include: the increasing demand for public housing subsidies, the increasing length of stay in homeless shelters, a shift in the character of the homeless to more working families, the increasing number of homeless students in the public school system, the occupancy of substandard units, longer commutes for households seeking less expensive housing further away from job centers, less community participation, and in some areas, business impacts such as difficulty in recruiting labor in support of expansions.

In the following chapters there are planning and development strategies that can help to balance the housing market. In general, it is important to encourage the development of a range of housing types and prices, encourage higher density housing to conserve open space and reduce the land cost per unit, and provide for affordable housing opportunities.

Broad public awareness of this problem and its ramifications is vital to each municipality's future. An adequate and balanced supply of housing within a regional housing market must be seen as essential to the municipality's future and local decisions should take this reality into account.

*They can save your life, teach your children, and be your hero -
but they can't afford to be your neighbor.*

Courtesy of the Maine State Housing Authority





Farmington, New Hampshire (SHP)

Chapter 2

Creating Housing Solutions

There are solutions to New Hampshire's housing challenge. Without active partners working to create new housing units, a pure market response has the potential of risking economic stagnation. By bringing on partners and looking at tools and techniques to supplement market forces, there are strategies for reducing front end costs and expanding housing opportunities, especially for mid and lower income families. The solution to this problem will require commitment from local leaders and citizens who decide to act on behalf of their communities and allow units to be developed on surplus land or in rehabilitated older properties, or change local zoning to promote a more diverse housing stock. There is not enough money available through government programs to create enough housing units for any segment of the population. Therefore, New Hampshire communities should focus on creating a range of market rate units. Affordability is related to the overall supply of housing units, and a general increase in units within a community will also help provide more affordable housing stock for residents.

Many of New Hampshire's successful local and regional housing initiatives possess the following:

- A vision
- A plan for implementing their vision
- Political will and support
- Effective community organizing and communication
- Regulatory and non-regulatory tools tailored to their situation
- Financial resources
- Capable development partner(s)

These attributes allow them to work on expanding their supply and range of housing units while preserving their community's character and resources.

Developers

In New Hampshire private and non-profit developers have been, and will continue to be, the driving force behind the creation of housing units. They have been responsible for a large percentage of the affordable units that have been created throughout the state. Allowing a greater range of housing types by right in a community will make the creation of new units possible. Incentives, such as density bonuses, will also generate greater interest in producing a variety of housing in different price ranges. This will give the developers in the state more flexibility to meet the market demand for starter homes and affordable apartments.

Housing Organizations

One approach to keeping the issue of housing and affordability on the table is to partner with, or establish, a housing partnership. Such an organization can effectively keep housing issues on the local agenda. Active housing organizations can be used to raise public awareness of housing issues, work to identify the range of needs and opportunities, and access financial and technical assistance from New Hampshire Housing Finance Authority.

Successful housing partnerships have the support of local officials, create a broad network of interest groups and organizations, and involve housing professionals. A listing of some local and regional housing groups working in New Hampshire may be found in the Appendix.

Concord Area Trust For Community Housing (CATCH)

Helping a family to become homeowners or find a stable, affordable apartment means changing the quality of life for that family and improving neighborhoods for the long term. Since 1989, the Concord Area Trust for Community Housing has done just that. They accomplish their mission by increasing the supply of affordable apartments, searching beyond city limits to expand housing choices, educating and empowering families to take control of their finances and to purchase their own homes, and nurturing neighborhoods through quality local management.

This mission has been accomplished through the creation of 142 dwelling units, which have helped over 350 people gain access to decent and affordable housing. CATCH has also assisted over 50 families in purchasing their own homes. Their latest development - Willow Crossing - added 24 new affordable rental units to Concord and Penacook.



CATCH has gained local and national recognition for their work, however, they take greatest pride in helping local families and individuals access safe, decent, affordable housing.

Contact Information:

Concord Area Trust for Community Housing
79 South State Street - Concord, NH 03301
603-225-8835
www.catchhousing.org

The Role of Planning

Sound planning provides the framework for building successful communities, but confusion sometimes arises about the types of planning cities and towns do, the relationship of planning to development patterns and practices, and how much planning is necessary before it's time to take action. There are several things to learn about planning in New Hampshire before getting started:

New Hampshire State Law RSA 674:2 requires that communities develop a master plan before they adopt a zoning ordinance. The law only requires that the master plan contain a vision section and a land use section, but thirteen other sections are recommended and generally included. A housing chapter is one of the recommended sections. The housing section should assess local housing conditions and project future housing needs of residents of all income levels and age groups. This section should also include housing data identified in the regional housing needs assessment performed by the regional planning commission.

New Hampshire RSA 36:47 requires each of the nine regional planning commissions to prepare a regional housing needs assessment and a comprehensive regional plan. For the comprehensive regional plans the regional planning commissions are encouraged to use the same layout as the state's comprehensive development plan (RSA 9-A:1,III), which is based on the community master plan elements, and which requires that a housing chapter be included in this state level policy document. So, housing is an issue that should be focused on in each of these different documents at the local, regional, and state level. This provides an opportunity to compare and contrast the information presented at the local, regional, and state level.

The other important elements all three of these plans include are a vision and an implementation section. Without a clear vision it is difficult to know where the town, region, or the state are headed in the future. Implementation is then used to achieve that vision through regulatory and non-regulatory means, but it needs monitoring to ensure that it is in keeping with the vision and the plan as a whole.

Housing should be specifically addressed in several other sections of these plans as well. The relationship between housing and the economy, transportation, and the environment are all important to understand and will shape the vision of our communities and our state well into the future.

What Is Your Fair Share Housing Obligation?

The New Hampshire Municipal Association created and delivered a series of law lectures under this title during the fall of 2001. We have adapted the language of the lecture, written by Susan Slack, Esq., NHMA Legal Services Counsel, below in an effort to help New Hampshire communities understand their obligation to allow for an array of housing opportunities. Copies of the full lecture materials are available from the Local Government Center/NHMA (www.nhlgc.org).

Towns may not refuse to confront the future by building a moat around themselves and pulling up the drawbridge.

***Beck v. Town of Raymond*, 118 NH 793, 801 (1978)**

This admonition from the NH Supreme Court to New Hampshire's municipalities came in a case dealing with "slow-growth" issues, but it applies as well in the exclusionary zoning context.

What Is Exclusionary Zoning?

Sometimes referred to as "snob zoning," exclusionary zoning is a term used to refer to zoning ordinances, and other local regulations, that have the effect of prohibiting or limiting the availability of lower income housing in a municipality. Oftentimes these regulations, taken singly, are reasonable in the sense that they serve a valid public purpose. When land use regulations, individually, or taken together, have the effect, if not the express intent, of prohibiting low-cost housing in a municipality, they may be found invalid on the ground that they are "exclusionary."

Exclusionary zoning is the use of zoning in developing areas to exclude from the community a variety of generally less expensive and higher density residential uses in order to preserve the character of the area and for fiscal reasons. To avoid exclusionary zoning problems with regard to housing opportunities for lower income people, municipalities must ensure that land use regulations provide a drawbridge into the community.

- Planning boards can work with regional planning commissions, which under the provisions of RSA 36:47, II, are required to produce periodic regional housing needs assessments that include analysis of “the regional need for housing of persons and families of all income levels.”
- Communities should review local zoning ordinances to make sure they do not exclude or unreasonably limit multi-family housing options or run afoul of the provisions of RSA 674:32 regarding siting manufactured housing.
- Communities should assess lot size and frontage requirements with an eye toward regulations that protect environmentally sensitive areas, but do not result in unreasonable barriers to affordable housing opportunities.
- Communities should be cautious about growth control regulations to ensure that they are not motivated by a desire to raise the drawbridge, but only by a need to control the timing of growth in order for the municipality to manage the financial burdens of expanding the capacity of municipal services.
- Communities should look to the innovative zoning techniques permitted under RSA 674:21 as a means of taking new approaches to land use regulation. Among these innovative land use controls is “inclusionary zoning,” which are regulations that provide incentives to property owners to produce affordable housing units. Inclusionary zoning techniques include but are not limited to density bonuses, growth control exemptions and a streamlined application process.

Perhaps the *Britton* case said it best:

The zoning ordinance evolved as an innovative means to counter the problems of uncontrolled growth. It was never conceived to be a device to facilitate the use of governmental power to prevent access to a municipality by ‘outsiders of any disadvantaged social or economic group.’ [citations omitted]

***Britton v. Town of Chester*, 134 NH 434, 443 (1991)**



Stratham, New Hampshire (SHP) □

Chapter 3

Planning & Development Strategies

In order to create a range of housing types at various levels of affordability, communities should consider greater net densities in some areas. Net density includes the number of units per acre on the portion of the site which will be developed for housing and directly associated uses. This is a more refined estimate than gross density, which is a calculation of the number of units on the site overall (developed and undeveloped areas are included in this calculation).

There is a direct relationship between land use regulations, net density, and unit costs. Identifying the locations in your community where additional density would be most appropriate and the number of units per acre that you will allow, either by right or as an incentive, is an important first step. In many communities the existing downtown or village can accommodate higher densities using a range of unit types and designs. This “smart growth” approach can be used to reinforce the developed portions of the community while reducing the sprawl effect of development.

New Hampshire State Laws RSA 674:16 and 674:21 give communities the opportunity to adopt and enforce each of the following tools that require land use regulations for their administration. The remaining strategies can be administered through other local regulations if necessary. Each strategy in this chapter is highlighted by at least one detailed example. Regulatory language examples have been included in the Appendix as an additional resource for your community.

While reviewing these strategies it is important to remember that clear and concise regulations make it much easier for your community to achieve the results that your ordinances have been designed to implement. Allowing certain techniques and housing types by right, rather than endless trips to the various boards in town for permission, makes potential developers much more interested in delivering the type of housing your community desires. Some New Hampshire communities have regulations that have the effect of prohibiting the types of housing that should be encouraged, or place restrictions on the development that make it very costly to produce units. Some examples include communities that phase

development and only allow 10% of the approved units to be constructed in a given year which drives the development cost and the unit cost up. Some older mill communities restrict revitalization efforts by only allowing residential units in 25% of the structure. In some communities the lot sizes and dimensional requirements push the site acquisition and development costs out of reach. Communities that require “large” lots generally create a situation where more infrastructure is needed and services are spread further into rural areas. Another example would be regulations that require excessive pavement widths and even sidewalks in rural locations. Each of these regulatory approaches results in unintended consequences that make it difficult to provide a range of housing units at varying price levels.

Inclusionary and Incentive Zoning

Description: New development must include affordable housing units as part of the mix of uses in order to receive the incentives or bonuses identified in the ordinance.

Advantages: This ordinance provides an incentive to the applicant up front if affordable housing units are included in the project.

Cautions: Inclusionary and incentive-based zoning ordinances are designed to operate through internal subsidies, where some costs are shifted from affordable units to market units. Therefore, it requires density bo-

Watson Road ~ Exeter, New Hampshire

The Town of Exeter has adopted an affordable housing ordinance that provides a density bonus for the inclusion of affordable housing. The recently approved Watson Road subdivision incorporates affordable housing units and open space to create a mixed income neighborhood.

With a total of 90 new units on 112 acres, this new subdivision includes 153 acres of open space that links to other protected parcels in the area and preserves the existing trail network. Twenty affordable housing units are included in multi-family structures along with some market rate multi-family units, duplex units and single family residences. The development uses a community well and relies on individual and community septic fields.

Contact Information:

Town of Exeter, Planning Department
10 Front Street
Exeter, NH 03833
603-778-0591
www.exeternh.org



nuses and other subsidies to achieve the desired affordability while ensuring a profitable return for the developer.

In New Hampshire inclusionary ordinances are incentive-based in nature. Some other states do allow for inclusionary zoning that does not provide an incentive, or direct benefit to the developer. State law in New Hampshire does not allow communities to require the inclusion of affordable housing in a proposed development without providing the developer with an offsetting benefit. Density is often the chosen incentive.

If a community decides to adopt an inclusionary or incentive zoning ordinance some of the decisions they need to make are:

- What should the percentage of affordable units be?
- Must the affordable units be comparable in size and amenities to the market rate units?
- Will the community accept payments-in-lieu of affordable units to be used elsewhere in the community for creating housing?
- Will phasing be allowed?

The issue of integrating market and affordable units has become more complex as the types of development have become more diverse (age-restricted, service-enhanced, etc.), and more expensive. Carefully consider whether a payment-in-lieu of units, or the provision of units off-site might better serve your community's identified needs. The first priority should be to increase the number of affordable housing units in the community. Communities can work to protect the affordability of these units into the future, or allow them to float with the market. The design of the units, and the amenities offered, can help regulate how much their value will increase in relation to other nearby properties. This is one technique for limiting the equity without extensive control mechanisms.

Higher Density Housing

Description: Allowing higher density to increase the affordability of the units, by increasing the yield of units per fixed land cost.

Advantages: Allowing a greater number of units to be constructed reduces the cost per unit for the developer, and makes the creation of affordable units possible. This provides a win-win for the developer and the community.

Cautions: On-site septic requirements may not permit this technique in all areas.

Increasing the variety of housing options, and reducing production costs by allowing higher density housing forms is one of the most fundamental ways to increase affordability, and communities have ample opportunity to do so within their regulatory powers.

Higher densities can be achieved as a matter of right, or by special permit and/or incentives. Techniques include:

- • Allowing new residential and mixed-use developments with alternative site patterns (e.g. flexible development or clustering), and/or a variety of housing types (detached single-family, townhouse, duplex, garden apartment, etc.).
- Providing density bonuses, or other incentives.
- Allowing alternative housing forms (duplex, triplex, etc.) in all residential areas.
- Establishing multi-family zones.

While these techniques can all lead to reduced construction costs, more efficient land use and a greater number of housing options, they may not produce additional affordable units without an inclusionary requirement. Often a development site can absorb higher density housing than is allowed by right, or provided for by special permit. There is often a market for such units, which may be smaller and require less maintenance than the existing inventory. Demand may come from older residents who want to stay in the community, but downsize, or from those employed in the area for whom location,

Palisades ~ Stowe, Vermont

Palisades is a wonderful design example for the creation of a dense neighborhood composed of a variety of unit types at varying levels of affordability. This 5.7 acre site is adjacent to Stowe Village, and contains 24 residential units and 6 commercial units. The 13 single family homes are on lots averaging .13 acres. These homes have three bedrooms, and a shared garage. Nine two bedroom condominium units have been created in one of the buildings, and one duplex has been constructed. There are also two structures housing the commercial units.



Contact Information:

Town of Stowe, Planning Department
 Akeley Memorial Building, 67 Main Street
 PO Box 216
 Stowe, VT 05672
 802-253-6130
www.townofstowevt.org

not lot size, is their main concern. Provisions in zoning and subdivision regulations for accommodating smaller, or clustered, units can enhance housing affordability, accommodate a greater diversity of needs, and improve land use.

Housing Overlay Districts

Description: Within the overlay district higher density, or mixed use development, is usually encouraged.

Advantages: Provisions for higher density, mixed use, reduced parking requirements, and other techniques make the creation of housing units in a designated zone, such as a village or downtown, feasible.

Cautions: Some areas that have been targeted with overlay districts, such as riverfronts, have only resulted in the creation of units at the high end of the market. If a community intends to encourage a variety of unit types, inclusionary requirements may become necessary.

Overlay districts are separate zoning districts, superimposed over the existing districts, that create a new level of requirements and opportunities. Overlay districts are often used to protect sensitive environmental features, such as aquifers or wetlands, or to promote the adaptive reuse of historic properties, like mills, or to allow flexibility in the siting of housing for seniors. The technique can also be an effective tool for promoting affordable housing by encouraging higher density, or mixed-use, development in targeted applications within an existing low density, or single use area. Housing overlay districts can be an especially effective tool for infusing new life into non-residential areas by encouraging the adaptive reuse of functionally obsolete properties.

Downtown Riverfront Overlay & Parking Overlay ~ Laconia, New Hampshire

Laconia's newly developed Downtown Riverfront Overlay District, and the reduced parking requirements of the Parking Overlay district allowed Chinburg Builders to pursue the redevelopment of the vacant and dilapidated Allan Rogers Mill complex. The redeveloped site will include 46 market rate two bedroom apartments and 16 two bedroom condos in the old mill structure, 12 new townhouses, 20,000 square feet of retail, and a 6,500 square foot restaurant.

A similar application of this regulatory approach in another community should promote development and redevelopment efforts in the areas that are already served by infrastructure (water, sewer, etc.) and are most suitable for accomodating growth.



Contact Information:
City of Laconia, Planning Department
45 Beacon Street East
Laconia, NH 03246
603-527-1270
<http://www.city.laconia.nh.us/>

Housing Redevelopment Overlay District ~ Laconia, New Hampshire

The Laconia Area Community Land Trust (LACLT) has worked extensively within this overlay district to buy property which is typically substandard and requires extensive rehabilitation. LACLT brings the property up to a safe, good quality standard, and preserves it as permanently affordable.

The Housing Overlay was established for this very reason, to promote the development of affordable housing units, to encourage investment in multi-unit housing stock, and to increase the quality of living conditions for renters living near the central business district. A density of 12 units per acre is allowed in this district.

The LACLT projects within this district include the redevelopment of a 1.5 acre site on Avery Hill with five new buildings containing 18 affordable housing units.

LACLT has rehabilitated several existing structures which offer five bedroom units. The Batchelder Street School (pictured here on the left) was redeveloped into six one and two bedroom apartments.



Contact Information:

Laconia Area Community Land Trust
189 Union Avenue - Laconia, NH 03247
603-524-0747
www.laclt.org

Mixed Use Zoning Districts

Description: A mix of residential and commercial uses are encouraged for efficient use of the infrastructure (waste, water, transportation, etc.).

Advantages: Planning new mixed use districts, or allowing housing in existing non-residential zones, is a strategy that can encourage more efficient use of infrastructure, add vitality to an area, and promote better access to employment opportunities and services.

Cautions: The uses within the zone should be compatible, and performance standards may be used to reduce the potential for conflict between adjacent uses. This technique may consume the limited non-residential land in the zone.

Local governments can allow a mix of residential and commercial uses in new development through any of several methods including rezoning, overlay districts, or planned unit development. Many new mixed use developments have been targeted to the high end of the market, making inclusionary requirements necessary to ensure a level of affordability.

Traditionally seen in New Hampshire's downtowns and villages, providing housing—especially affordable housing—near job opportunities, services, and existing infrastructure can be a smart growth strategy for many communities. It may be particularly appropriate in areas where market conditions have changed, and existing or planned commercial uses are no longer economically viable. This may also be a useful tool for identified future development nodes.

In communities across the state, land exists that could accommodate affordable housing unit(s), but doesn't because of insufficient size, dimensional requirements, access issues, etc. Often these sites languish in tax title, and are eventually taken by the municipality without any consideration of alternative uses. Such properties may be suitable for development, and could add affordable units to the town's housing supply.

Mixed Use Downtown ~ Exeter, New Hampshire

There are many benefits to having residential units in a downtown, and the Town of Exeter changed its zoning to encourage this mix of uses in the downtown area. By allowing residential units as a principal use in these zones, a mix of residential units has been returned to the upper floors of downtown structures that were largely underutilized. Residential units are not allowed on the street level. Street level units are reserved for retail, commercial, or office uses.

Allowing a mix of uses, including residential, is a smart growth technique that makes good use of areas with infrastructure and buildings already in place. This strategy promotes the “walkability” of a community because a range of uses are close together. Mixed use downtowns also benefit from “eyes on the street” at all times of the day and night.



Contact Information:

Town of Exeter, Planning Department
10 Front Street - Exeter, NH 03833
603-778-0591
<http://www.exeternh.org>

The Village of Clark Brook ~ Rochester, New Hampshire

The Village of Clark Brook recognizes the distinctive qualities and characteristics that New Hampshire's villages contain and uses that framework to create neighborhoods that include a mix of uses, including a diversity of housing types ranging from single family units, to townhouses and apartments. This 262 unit subdivision was approved in December of 2003 under the City of Rochester's



Planned Unit Development Ordinance. The Village of Clark Brook is a traditional neighborhood design (TND) subdivision composed of a dense core, surrounded by less dense residential neighborhoods, and circled with open space.

The design respects the site's natural features, preserves open space, includes a well connected network of streets, alleys and paths, and provides formal and informal public spaces. A variety of commercial, retail, and office uses will also



be included in the neighborhoods. The project will be constructed in phases, and the final engineering for each phase will be reviewed by the City.

Contact Information:
City of Rochester
Planning Department
31 Wakefield Street
Rochester, NH 03867
603-332-1167
www.rochesternh.net

Development on Non-Conforming Lots

Description: Lots that do not meet minimum dimensional requirements are considered “buildable” for affordable housing.

Advantages: Reduces the overall cost of creating new affordable units in the community by providing an opportunity to develop sites which have very little value for other uses, or by allowing higher densities of development.

Cautions: Lots sizes were selected for a reason, so a community using this tool may want to consider only allowing smaller units on these lots.

Lots having less than the prescribed basic minimum area, minimum frontage, width, yard, or depth requirements may be appropriate candidates for development of affordable housing if the resulting use is not substantially different in character or detrimental in its effect on the neighborhood.

Affordable Housing in Amherst, New Hampshire



Affordable Duplex Units



Affordable Quadplex Townhouses



Single-Family Detached Homes

The Town of Amherst understands the importance of encouraging suitable opportunities for the development of new affordable housing units in the community. Their “Innovative Land Use Control for Affordable Housing” regulations provide flexibility in the design of the development, and provide density bonuses. Allowing a greater density on the site makes the provision of affordable units possible. The developer does not need to comply with the standard dimensional requirements. This creates an opportunity for the planning board to work with the developer to create a density that will support the creation of affordable units, or to make use of a non-conforming lot.

A range of unit types have now been created by developers under this ordinance. Some of the units mix affordable units with market rate units. Amherst has been very pleased with the diversity of housing units that have been encouraged by this incentive based ordinance. Here are examples of new affordable units from three of the Amherst’s new neighborhoods.

Realizing that prices are relative to size, the Amherst Ordinance limits the heated square footage of “Affordable Housing” to 1300 square feet. Generally the prices for “affordable” townhouses (1300sf) start at \$170,000, and other townhouses are starting at \$350,000 to \$450,000. Single family condominiums (1300sf) developed under the Affordable Housing Ordinance are \$250,000 and up. Single family homes under the standard zoning go for at least \$350,000, and generally cost a great deal more.

Contact Information:

Town of Amherst, Planning Department
2 Main Street - Amherst, NH 03031
603-673-6041
www.amherstnh.gov

Limited Development - A Partnership of Conservation and Development

Description: Preserving open space by allowing development on a small portion of the site.

Advantages: Minimizes the cost of housing by shifting or splitting the land costs with a conservation organization. Promotes the creation of housing units and the preservation of open space. Easements for wells within conservation areas could help reduce lot sizes.

Cautions: Septic systems will need to be incorporated into the developed portion of the site in most cases, and on-site wells may also be necessary. Long term controls should be placed on the open space portion of the property to ensure their continued protection.

Limited development is a strategy for preserving open land by developing only a small portion of a larger site. The structures are clustered in one area at a higher density than may normally be allowed by right in that zone, and the remaining acreage is permanently protected. As a conservation strategy, limited development is typically used to subsidize the preservation of open space. In the context of affordable housing, the goal is to minimize the cost of the housing by shifting or splitting the land cost with a conservation organization.

Farrell Farm ~ Norwich, Vermont

A partnership of conservation and housing interests came together in 1989 to save the Farrell Farm in Norwich, Vermont. The Farrell Farm project involved permanently protecting 110 acres of active farmland, which is still in operation today, and creating a new affordable housing subdivision. The fourteen modest homes are clustered on a small portion of a fifteen acre parcel to the north of the farm operation. This project was implemented by the Twin Pines Housing Trust. The funding for the protection and development project included funds from the Vermont Housing and Conservation Board as well as extensive local fund-



raising to undertake the initial protection of the farmland. In the end, new affordable units were created and significant farmland was protected.

Contact Information:

Twin Pines Housing Trust
106 Railroad Row
White River Junction, VT 05001
802-291-7000
www.twinpineshousingtrust.com

Hearthstone ~ Wilton, New Hampshire

Originally conceived in the 1970's, Hearthstone is now the home of 14 families in 12 single family homes and one duplex. The homes sit on 9.5 acres of a 95 acre site that has been permanently protected. The Monadnock Community Land Trust was formed as part of the creation of this project. The purpose of this development was to protect open space and provide affordable housing. The homes were built by their original owners and are part of a limited equity arrangement to control resale prices.



The houses sit on land owned by the land trust through a land lease arrangement. The land trust leases the 9.5 acres to the Hearthstone Homeowners Association and the Association leases individual areas to home owners. There are no formal property lines. Only "responsibility areas" around each residence and a great deal of common land, including two community gardens located in the development's two cul-de-sacs. The infrastructure, which includes the roadway, septic systems and community well, is maintained by

the homeowners association. In most cases this includes volunteer labor from the homeowners themselves.

Still considered an innovative project, Hearthstone took two years to move through the regulatory process, and many families had difficulty securing financing during the early years of this project. The open space is part of the State's Current Use Program as a managed tree farm.



Contact Information:

Monadnock Community Land Trust
c/o David Miller
61 Hearthstone Road
Wilton, NH 03086
603-654-2158

A third party facilitator is usually involved in securing the property targeted for preservation and holds it for disposition to another entity (often the local Conservation Commission or land trust). This is typically a time consuming process, allowing the community time to evaluate the possibility of limited residential development, with or without additional conservation easements or site controls. Affordable housing advocates are often conservationists and vice versa, and increasingly the two are forging alliances to achieve the goals of both interest groups.

Accessory Dwelling Units

Description: Allowing additional independent units within existing structures, or on the same lot.

Advantages: Creates additional units and increases the affordability for the owner and the tenant. This is an easy way to increase the number of affordable units in the community with little land use impact.

Cautions: Allowing dwelling units in accessory structures needs to be examined carefully at the local level to ensure that such a policy will not impact the community, or adjacent land owners, in a negative fashion.

Accessory Dwelling Unit Regulations

Throughout New Hampshire communities are allowing accessory dwelling units. The communities of Hudson, Exeter, Hollis, Lyme, Bennington, Meredith, Nashua, and Plymouth all allow accessory dwelling units in some fashion, and their regulations have been included in the Appendix. Some of these regulations allow the units in the primary structure, and within existing, or new, accessory structures. This allows extra flexibility to include units over garages, or in remodeled outbuildings.

The structure in this picture, from Plymouth, New Hampshire, is a renovated carriage house that now accomodates two apartments. There are several primary differences between the various “Accessory Dwelling Unit” regulations that have been adopted by many New Hampshire towns. These differences include restrictions on the placement of a new unit in the existing single family structure, allowing only one accessory dwelling unit on the property, requiring the occupant to be a relative of the structure’s owner and prohibiting rental of the unit, and requiring the structure owner to occupy either the primary or accessory unit.



The best approach to providing expanded housing opportunities through the use of accessory dwelling units is to provide some flexibility in household arrangements to accommodate family members, or nonrelated people, of a permitted, owner occupied, single family dwelling, while maintaining aesthetics and residential use compatible with homes in the neighborhood. This can be accomodated in the primary structure, or in another structure on the property.

The creation of independent housing units within existing residential structures, or on the same lot, by right is one way to increase the supply of housing and improve affordability. Identified in NH RSA 674:21 as an innovative land use control, accessory dwelling units can be constructed as apartments within existing single family dwellings, as additions to the homes, or through the conversion of garages, barns or other outbuildings. They can also be built as freestanding cottages and, in some parts of the state, they are being designed into new construction.

Many communities view accessory apartments as an invisible means of growing and diversifying their housing stock, and they have used a variety of techniques for regulating them. They can be allowed by right, subject to design guidelines and site plan review; or by special permit, regulating unit design, ownership, tenure, parking requirements, etc., to ensure compatibility with local planning objectives. Accessory dwelling units can serve a wide range of housing needs, but the increased interest in them is fueled by three forces: shrinking household size, a “graying” population, and the difficulty of siting new development. A commonly used, related technique involves allowing large single family homes to be converted to two or more units and sold as condominiums, or two- and three-family homes.

Adaptive Reuse

Description: Reuse of abandoned, underutilized, or functionally obsolete properties for housing.

Page Belting ~ Concord, New Hampshire

Page Belting used their Concord, New Hampshire, mill facility to create leather belts that were used, at one time, to drive the machinery in water and steam powered mills. Over time the old mill structure no longer met the manufacturing needs of the company. With the mill facility available for redevelopment, the City of Concord created an Opportunity Corridor zoning district encompassing the mill facility, and adjacent available acreage along Interstate 93.



After extensive renovation of the mill, the final product is a mixed use facility which includes 77 units of elderly housing. The other uses in the facility include non-profit office space, for profit space currently housing a dance academy and a doctor's office, and a community meeting room. The project used a combination of low income housing tax credits and Community Development Block Grant funds.

Contact Information:

City of Concord, Community Development Department
City Hall, 41 Green Street - Concord, NH 03301
603-225-8595
www.ci.concord.nh.us

Advantages: The reuse of abandoned or underutilized properties as housing is a strategy that enables the community to accommodate growth in established locations instead of on undeveloped land, while preserving or restoring the architectural fabric of the community.

Cautions: Many adaptive reuse projects include contaminated sites, and the liability and clean-up issues must be resolved in these situations.

A number of municipalities have modified their zoning regulations to encourage new uses, including affordable housing, for vacant or underutilized buildings. Downtown overlay districts, allowing residential uses on upper floors in commercial districts, and live/work space are all examples of strategies communities have employed to bring new life to old buildings.

Adaptive reuse often brings a unique set of challenges. The proximity of mills and other industrial properties to rivers may mean waivers to flood plain and set back requirements will be required. Often, industrial contaminants must be removed, and the sites remediated. The reuse of historic properties can enhance the special sense of place that distinguishes one New Hampshire community from another and is fundamental to preserving the character of the state.

Residential & Live/Work Uses in Commercial Districts

Description: Encouraging a mix of development types within a specific section of the community.

Advantages: Creates vibrant neighborhoods composed of residents and businesses that bring life back to older structures, and allow individuals to live close to services, employment, and transportation options.

Cautions: Carefully consider the mix of uses that you will allow in this area. Performance zoning may be a helpful tool to consider because of the flexibility and quality it promotes.

Encouraging mixed use redevelopment, the combination of residential, commercial, institutional or retail uses, is another revitalization strategy that makes sense economically, politically and environmentally. Mixed use is the way we used to do business, with people living over their stores, or in close proximity to the factories where they worked. Local governments may allow mixed use by right, by special permit, or in specific zoning districts. Live/work arrangements require additional integration of zoning and building regulations because they involve both mixed use and mixed occupancy units.

Allowing residential uses in underutilized upper floors of commercial properties, or in new structures, can turn a tired downtown into a lively mixed use community, stimulate economic development, accommodate demand for additional housing where the infrastructure already exists, and preserve the fabric of the community.

Richmond Village Housing Partnership ~ Richmond, Vermont

Located near Interstate 89 in Richmond, Vermont, this development project created 16 new rental housing units within the village area. The duplex structures are managed by Lake Champlain Housing Ventures of Burlington, Vermont. The development is served by public utilities, including town water and sewer. Similar to downtown redevelopment efforts in other communities, this development is primarily residential with a commercial twist.

Five of the units are live/work units, and include home office space. The home office space is composed of a room attached to the structure with a separate entrance. The financing package for this project included funding from the Town of Richmond, the Vermont Community Development Block Grant Program, and the Vermont Housing and Conservation Board.



The Richmond Village Housing Partnership was developed under older regulations that allowed residential units in the commercial zoning districts. The current regulations now allow live/work via the home occupation or cottage industry in most districts that single family units are allowed.

Contact Information:

Town of Richmond
203 Bridge Street
Richmond, VT 05477
802-434-5170
www.richmondvt.com

Demolition Delays & Home Recycling

Description: Requiring a waiting period before demolition can take place in order to encourage building recycling.

Advantages: Demolition delays create an incentive for relocation and reuse of existing units, and help avoid a net loss of units in the community.

Cautions: This tool does not necessarily add more housing units. The structures may be used for other uses.

Demolition delay ordinances or by-laws impose a waiting period before a permit can be granted to demolish a residential structure. The waiting period creates an incentive for reuse and gives interested parties an opportunity to acquire the reusable residential structures slated for demolition.

Communities have used this technique for years to save historic buildings from the wrecking ball, but it can be equally useful for preserving viable, but at-risk, housing. Some communities have preserved properties by appealing informally to individuals, or businesses, who have targeted properties for teardown. To mandate such a delay a community will need to amend that portion of its regulation that governs the issuance of permits for demolition.

Historic Buildings ~ Keene, New Hampshire

Located on West Street in Keene, these two historic buildings were slated for demolition to make room for a new CVS retail store. After a great deal of public outcry over the loss of these structures, they were moved from their West Street location to their new site on land owned by the Keene Housing Authority. This move took place in June of 2001, and was partially funded by the New Hampshire Land and Community Heritage Investment Program, and a Community Development Block Grant. The structures now provide office space and a common area for the Housing Authority.

The energy surrounding this project resulted in the creation of a demolition delay ordinance in Keene. Now the City of Keene and its citizens have an opportunity to evaluate structures that are slated for

demolition if they are greater than 500 square feet in size, and at least 50 years old. This provides a process that can now be used in Keene to preserve historic structures that are slated for demolition, and make the units they contain available for housing. This is another opportunity to avoid a net loss of housing units as new uses are developed in the city and older structures are threatened.



Contact Information:
City of Keene, Planning Department
3 Washington Street
Keene, NH 03431
603-352-5474
www.ci.keene.nh.us

The demolition delay itself won't preserve housing. It needs to be used in combination with programs or tools that allow the surplus structure to be relocated, rehabilitated, and sold or managed. Anywhere that modest, existing homes lie in the path of development plans, demolition delays and home relocation strategies can be effectively used to preserve the number of housing units in the community.

Communities that are using this tool solely for the preservation of housing units may want to consider allowing an exception if the demolition is intended to make way for new affordable housing units. Otherwise, the additional time delay and regulatory processes may reduce the viability of the proposed housing development.

Homesharing

Description: Allowing living arrangements in which two or more unrelated people, or households, share common areas (kitchens, living areas, etc.) while having private, separate bedrooms. While it may require only limited adaptations, or none at all, to the existing housing stock, it may require modifications to zoning definitions that prohibit unrelated people living together. People homeshare for different reasons.

Advantages: This type of housing provides a favorable affordable housing option for those who can't afford a complete unit on their own.

Cautions: This form of housing may not work well in every market and, depending on the location, it may target different segments of the population (elderly, college students, single parent households, etc.).

Homesharing is a living arrangement in which two or more unrelated people, or households, share housing accommodations. Each has private living space (bedrooms), but shares common areas such as kitchens, baths, and living rooms. Residents may also share activities of daily living with each other.

An elderly homeowner renting out a room; a couple of singles, or single parent families, sharing a house; and congregate living facilities specifically designed for seniors or special needs populations are all types of shared living arrangements. Shifting demographics, including more elderly residents, more entry level jobs, and insufficient affordable housing in many communities has generated increased interest in this alternative on the part of both older and younger residents. Other homesharing constituencies include people with disabilities who need support services to live independently, low or moderate income households seeking to reduce their housing costs, and single parent households requiring assistance with childcare.

Emerson Gardens ~ Lebanon, New Hampshire

Located in Downtown Lebanon, Emerson Gardens will soon provide an opportunity for unrelated individuals to share a housing unit. The development contains 160 housing units. Each individual, or family, can rent a private bedroom(s) and bath area, and will then share a common area which includes a living room, dining room, and kitchen. It is important to recognize the size and density of this structure, and Lebanon's ability to allow this project to be constructed within the downtown area.



Emerson Gardens is within walking distance of the downtown center which includes the City Hall, Post Office, Senior Center, retail and employment opportunities, and public transportation. This is another solution to the issue of affordability for individuals that could not afford an entire unit on their own. This is also a convenient solution for individuals that can't, or choose not to, own and maintain an automobile.

Contact Information:
SMC Management Corporation
One Sundial Avenue, Suite 510
Manchester, NH 03103
603-626-1144
www.emersongardens.com



Infill Development

Description: Infill development is the redevelopment of sites within existing developed areas of the community.

Advantages: Utilizes land in the developed portions of the community that are already served by infrastructure, and can often accommodate higher densities of development from the former use.

Cautions: The new structures must be designed to provide fire and life/safety protection to the new inhabitants and the residents in the existing adjacent structures.

Instead of developing a relatively pristine area, the infill developer attempts to create new and usually higher density uses for land within existing developed areas. While traditional C&R ("conversion and renovation") developers take an existing structure like an apartment building and turn it into a condominium complex or office space rental, the infill developer will take an underutilized lot located within an existing development area and maximize the use of that lot, usually for a new type of development.

As more municipalities regulate development growth to preserve natural resources and avoid suburban sprawl, developers are often faced with two options: buying land farther out from town centers for projects, or infilling their development within existing neighborhoods in the community. As a general rule, the communities that regulate new suburban growth the most encourage infill development. These municipalities have concluded that the way to manage the inevitable population growth they will experience in the future is to increase population density around existing transportation and other infrastructures instead of spreading the growth to the outer edges of their community that require new investments and expanded municipal services.

Perley Place ~ Downtown Concord, New Hampshire

The Concord Area Trust For Community Housing (CATCH) redeveloped this site located on Perley Street in downtown Concord in 1998 to provide affordable housing units for city residents. Three of the pre-existing structures were beyond repair and needed to be removed. The fourth structure was renovated and three new structures were constructed on the property. The development includes 11 units.

Several other neighborhood structures were then rehabilitated into affordable rental units by CATCH adding 13 additional affordable units to the city's housing stock. A playground was also constructed by volunteers and staff as part of the first CATCH Community Day in September, 2000.

Contact Information:

Concord Area Trust for Community Housing
79 South State Street - Concord, NH 03301
603-225-8835
www.catchhousing.org





Newmarket, New Hampshire □

Chapter 4

Reuse of Property

Many communities have property available for redevelopment. The identification of these sites with residential reuse potential should be a priority for every local housing effort. Potentially suitable properties may be acquired through tax-taking, brownfields remediation, donation, negotiation, distress sale, bank foreclosure, or purchase at fair market value. In some cases reuse of the property for residential activity may require zoning changes or special permits.

Brownfield Sites

New Hampshire RSA 147-F, which became effective in 1996, established a program to encourage the voluntary cleanup, and redevelopment, of contaminated properties commonly called “brownfields.” Brownfields are typically properties that have been abandoned or underutilized due to environmental contamination. Historically, prospective new purchasers, financial institutions, and municipalities have avoided involvement with these properties due to actual, or potential, liability for existing environmental contamination typically caused by former site owners or operators.

New Hampshire’s Brownfields Covenant Program is designed to provide incentives in the form of liability protections for the investigation, cleanup, and redevelopment of contaminated properties by persons who did not cause or contribute to the contamination. This is accomplished under a process by which an eligible person can obtain a “Covenant Not to Sue” from the NH Department of Justice (DOJ) and a “Certificate of Completion” from the NH Department of Environmental Services (DES) when site investigations and remedial actions are performed in accordance with DES cleanup requirements. For most sites, this is likely to involve legal and technical matters that will generally require the assistance of both legal counsel with expertise in environmental law, and an environmental consultant.

With these environmental and legal issues resolved, the property becomes available for redevelopment. In many cases the property can be obtained at little or no cost, and funding may be available to assist with the cleanup. New Hampshire's brownfield sites are often in very desirable locations such as our downtowns, and adjacent rivers. These are often great places to create additional residential units.

Newmarket, New Hampshire ~ Brownfield Redevelopment

The Essex Mills were built more than 150 years ago on the Lamprey River in downtown Newmarket. Some of the Mill property had been contaminated with hazardous material over time so the town wanted to encourage cleanup and reuse of the structures.

The environmental cleanup is now complete and the first phase of redevelopment includes 36 one- and two-bedroom condominiums, and is 95 percent completed as of spring 2004. A grove of birch trees, river-view patios and a boat launch are located over formally contaminated soils. A river walk along the Lamprey and full public access to the river is part of the project. A new bridge across the river connects residential units to downtown.

Contact Information:

Chinburg Builders
8 Newmarket Road, Suite 2 -
Durham, NH 03824
603-868-5995
www.chinburgbuilders.com



Donated Land

The donation of land and buildings for affordable housing development, or their sale at below market value, helps reduce the development cost and is one of the most valuable contributions a community can make. Contributions of private parcels for the development of affordable housing are always a valuable resource, especially in high cost areas. In communities across New Hampshire, residents, businesses, institutions, and others have donated sites for the construction of affordable housing. In some cases it is the house that's donated, with the stipulation that it be moved to another site. Many donated sites are suitable for just a single unit, but occasionally they can accommodate a more ambitious development.

Most communities have resources that could be made available for affordable housing, and when a town, or entity, does provide a site, it controls what gets built, where, and by whom. You can get a list of publicly owned property from your assessor. If the municipality owns the property, it can make it available at no cost, or low cost for low or moderate income housing units. If another government entity, such as the State, owns suitable property in the community, local officials should spearhead an

effort to acquire it at a favorable price. Some churches and non-profits are also interested in donating property or developing actual affordable housing for their constituents.

Often a donor comes forward in response to local media coverage about the housing crisis, or the efforts of a group working to address it. Some offers of land have come following a request from the regional vocational school seeking sites for a student constructed home. Opportunities exist everywhere, but you need to plant the idea. The housing sponsors that have been most successful at obtaining donated sites are those that have mastered the art of outreach and communication. Donations also create an opportunity for federal tax deductions for the property owner donating the land, and that information needs to get out to individuals in the community.

The Alder Meadow Project ~ Dover, New Hampshire

When Liberty Mutual decided to construct a new facility in Dover, New Hampshire in 1996, the company needed to consolidate a number of existing lots into an appropriate site. Many of these lots were occupied by existing housing units so it was suggested that they be relocated to another parcel.

The City of Dover provided the necessary land, and placed the nine relocated homes on individual lots on Alder Lane. The land had been held for potential use as the site for a new municipal facility. Instead, the city subdivided the parcel and created a lottery system to distribute these single family homes to residents seeking affordable housing. Over forty families applied for the lottery. Names were drawn and nine families were selected to purchase these homes.



Contact Information:
City of Dover, Planning Department
288 Central Avenue
Dover, New Hampshire 03820
603-516-6000
www.ci.dover.nh.us

Occasionally, surplus land can represent a major development opportunity for a community, as in the case of properties that had been held by the community for future municipal buildings or schools, but are no longer needed for that purpose. In such cases affordable housing will probably be just one of many competing reuse options. More often, though, available sites are much smaller, and residential reuse is the obvious choice. Many communities have contributed in this piecemeal fashion to create new housing units.

Tax Delinquent Parcels

Tax title properties are land and/or buildings that are in the process of being taken by the local government because the owners have failed to pay their property taxes.

In many areas, tax delinquent properties are often vacant, substandard, or non-conforming lots. In New Hampshire's villages and downtowns they are much more likely to also involve abandoned and deteriorating structures. Frequently, properties that end up being taken for back taxes are functionally obsolete or contaminated. Your community's strategy toward tax title properties will depend on the current inventory, as well as the history of tax delinquencies. Affordable housing proponents should be vigilant and knowledgeable about what is going on in their local market, and keep track of which properties are in tax title, and may be viable options for a future project.

Tax Increment Financing (TIF)

Tax Increment Financing (TIF) can be a powerful tool for funding necessary infrastructure improvements. Until recently TIF districts have generally been used by larger communities, but it is equally if not more valuable for New Hampshire's smaller communities under the right set of circumstances.

Often used in downtown and village locations, TIF districts are used for the financing of public improvements. These public improvements (streetscapes, roadway projects, utility projects, parking structures, etc.) are used to create greater interest in redeveloping properties in the identified district. Communities that have abandoned mills, industrial properties, vacant upper stories, vacant school properties, etc., for which housing is an appropriate reuse may find TIF a useful tool.

The TIF district uses the new money that is created by new private investments to pay off the public infrastructure improvements. More detailed information on TIF districts is available in a technical bulletin that has been included in the Appendix.

Downtown TIF District ~ Keene, New Hampshire

Developed primarily as a downtown economic development tool, the TIF district has encouraged the retention of downtown businesses, and the creation of residential units. The TIF District provided an opportunity to create a new parking structure in the downtown.

This new structure located on Wells Street, and the existing structure located behind City Hall, provide long term and metered parking. Both structures now accommodate parking for residential units in the downtown area as part of their allocation of long term spaces. Without these facilities, many structures in the downtown area would not be able to provide necessary parking for their residents.



Contact Information:
City of Keene, Planning Department
3 Washington Street
Keene, NH 03431
603-352-5474
www.ci.keene.nh.us



Downtown Exeter, New Hampshire

Chapter 5

Preserving Existing Affordable Units

To compliment efforts to construct an adequate number of housing units, opportunities to maintain and even preserve existing units should be considered. Sometimes this involves market intervention. In these situations the course of action will be based on the type of housing that is most at risk, and the potential for it to be protected for future residential use. Communities are often able to increase their affordable housing inventory by working with developers interested in purchasing existing units, making necessary repairs, and obtaining grants and/or subsidies to reduce the rent or sales price to an affordable level.

Expiring Use Rental Properties

Expiring use properties are rental units that were built with federal and/or state subsidies (such as low cost mortgages, rent subsidies, and loan guarantees) to serve low and moderate income tenants and are now at risk of being removed from New Hampshire's inventory of affordable units as those initial subsidies expire. After publicly financed mortgages on these properties, many dating from the 1970s, were paid off, the use restrictions that required them to serve low income residents were removed.

The preservation of expiring use properties as affordable housing usually requires the coordination of residents, the community, public and private investment, and technical assistance throughout the process. There are a number of factors that should be considered as you assess what strategy is appropriate: the building's physical and financial characteristics, current ownership and management, the existing tenants, and the surrounding neighborhood.

Community leaders are critically important partners, but in expiring use properties your state legislators and Congressional delegation should be actively engaged as well. Historically, their involvement has been critical to such preservation success stories. Even if expiring use restrictions allow an owner to convert to market rate units, a community may still have leverage as the result of other regulatory controls. The community can play a key role in trying to put together a project that will preserve these at-risk properties, or a percentage of their units. It is important to know where such units exist in a community and to monitor their status so the conversations can begin early.

Preserving Moderately Priced Units

The acquisition of properties from owners who have kept rents low, and possibly deferred maintenance, can enable a community or community based group to preserve moderately priced units for existing tenants, or new low and moderate income residents.

If the municipality has an appropriate development entity, it may be able to preserve these valuable resources, and increase its official affordable housing count by purchasing the units. Once the units have been purchased, any necessary repairs and upgrades must be made and the rent or sale price must be kept low enough to be affordable to existing and future residents.

In many New Hampshire communities the long time property owners provide the greatest percentage of moderately priced rental housing. It is important to monitor the local housing market, and to know who owns such properties and whether they might be thinking about selling.



Stratham, New Hampshire

Chapter 6

Expanding Ownership Opportunities

Homeownership is still the “American Dream” for most New Hampshire residents. Homeownership is thought to have a positive influence on families, neighborhoods, and the economy. With favorable financing options available, the homeownership rate in the U.S. is now at an all-time high, with two-thirds of all households owning their homes. The homeownership rate in New Hampshire is over 70%, which is slightly higher than the U.S. average of 68%. However, increasing prices and an inadequate supply of units are creating a problem of affordability for those pursuing homeownership opportunities. Many of the programs offered to potential, or first time, homebuyers are intended to give them the extra edge they need to become homeowners.

Homebuyer Counseling and Education

The availability of homebuyer counseling and education opportunities are important marketing and outreach factors that can bridge the information gap, and expand the pool of potential homebuyers. These opportunities prepare New Hampshire residents for a potentially successful application, and ownership experience.

If a community is planning a first-time homeownership initiative, it should consider partnering with an organization, or institution, that provides homebuyer counseling. Such organizations can provide a range of information about the homebuying process, from how to budget or repair damaged credit to the many types of mortgage products and down payment assistance programs. Many also sponsor, or participate in, homebuyer fairs. Homebuyer education and counseling efforts are especially effective at reaching potential homebuyers who traditionally have had little contact with conventional financial services.

Down Payment Assistance and Mortgages

Many programs have been designed to bridge the wealth and income gaps by making it more affordable for first-time homebuyers to purchase a home. Using a variety of tools, including subsidized interest rates, down payment and closing cost assistance, and flexible underwriting criteria, low and moderate income individuals can become homeowners in New Hampshire. Often, efforts to expand homeownership involve collaboration between local governments, lenders and nonprofit organizations, and include homebuyer education.

Some programs are government funded, either directly or through the issuance of tax-exempt bonds. Many private lenders offer special programs for first-time homebuyers, municipal workers, and public safety personnel. The homebuyer counseling programs throughout the state can help determine which of these programs would be appropriate for a community, and guide it through the process of accessing funding sources.

Manchester Neighborhood Housing Services, Inc. ~ Manchester, New Hampshire

Manchester Neighborhood Housing Services, Inc. (MNHS) is a private, non-profit corporation dedicated to rebuilding Manchester's neighborhoods. They are a partnership of local residents, businesses, and the city—working together to help families improve the quality of life in their community. Since 1993, they have helped hundreds of families work towards their dream of owning a home. MNHS has helped bring over \$14 million in public and private investment to the Center City area of Manchester. Through community redevelopment programs, they are building neighborhoods in place of blighted buildings, and giving hope to hundreds of families who want to live in new, affordable, safe neighborhoods.

The NeighborWorks® HomeOwnership Center of Manchester is made possible with funding from Wells Fargo Home Mortgage of Bedford, NH. The NeighborWorks® HomeOwnership Center is the homeownership division of Manchester Neighborhood Housing Services, Inc. ("MNHS"). The NeighborWorks® HomeOwnership Center of Manchester is a "one-stop-source" for information about becoming a homeowner. They are dedicated to increasing opportunities for first-time homebuyers through free education programs, and affordable loan programs.

Contact Information:

Manchester Neighborhood Housing Services, Inc.
968 Elm Street, Manchester, NH 03101
603-626-HOME
www.mnhs.net



Purchase of Units for Resale with Restrictions

The purchase and resale of existing housing to income-eligible homebuyers is another technique for increasing homeownership opportunities, and adding to the inventory of low and moderate income units. In most cases a non-profit entity purchases the least expensive units on the market, makes the necessary repairs, and the resulting sales price is affordable to a low or moderate income household. Long term affordability restrictions are also imposed in most cases.

A number of communities have explored variations of this model, but it is becoming more challenging. As home prices continue to climb, the least expensive units are often caught in bidding wars between potential buyers. In some cases, the seller can be swayed by the need to keep a supply of units affordable to local families and seniors, and the added tax benefit of selling to a non-profit is enough to convince them. Ensuring the long-term affordability of housing created, or acquired, with public resources is a crucial component of this technique.



Concord, New Hampshire

Chapter 7

Available Funding Sources

Although funding is not the only solution to the housing issue in New Hampshire, it is part of the solution for a percentage of the housing stock. The production of new affordable housing in New Hampshire usually involves a combination of grants, loans, tax credits, and public contributions. This enables a potential developer to assemble project financing that meets the specific needs of the project. The good news is that one does not need to be an expert on all the various sources of financing, but at least one of the development partners should be well versed in this area.

In many cases, the resources that are available at the beginning of a project may not still be available when the project breaks ground. An experienced development partner can keep a sound project viable, but it may not be with the funding sources originally projected. Getting started requires money. The market must be assessed, sites must be secured, and preliminary architectural and engineering work must be undertaken to determine if a site is suitable for development. The communities in New Hampshire that have enjoyed the greatest success in implementing their housing agendas are those that were able to access predictable, ongoing funding sources. This section presents several funding sources that are available for the creation, or support of new housing units.

Community Development Block Program (CDBG)

The primary purpose of the Community Development Block Grant (CDBG) program is the development of viable communities, by providing decent housing, suitable living environments, and expanding economic op-

portunities, principally for persons of low and moderate income. It is sponsored by the US Department of Housing & Urban Development (HUD) and administered here in New Hampshire through the NH Community Development Finance Authority (CDFA). Affordable housing and housing rehabilitation grants provide municipalities with the funds to purchase, rehabilitate, expand, and improve the condition and supply of housing for low and moderate income homeowners and tenants. CDBG funds are often sub-granted to non-profit affordable housing developers for these purposes. Feasibility study grants are also available to determine whether or not a proposed CDBG project is feasible and/or to recommend specific action to be undertaken. Eligible activities include income surveys, architectural and engineering design, cost estimates and market analyses.

CDBG is the state's largest funding source for community development. To take advantage of CDBG funding, a community with limited staff may need to hire a consultant or enlist the services of an experienced housing agency. CDBG staff at the CDFA office can walk one through the steps and get a community started.

Contact Information:

NH Community Development Finance Authority (CDFA) - CDBG Program
14 Dixon Avenue, Suite 102, Concord, NH 03301
603-226-2170
www.state.nh.us/osp/cdbg/index.htm

The HOME Program

The Home Investment Partnership Program (HOME) is an active affordable housing program within the Office of Community Planning and Development at the US Department of Housing & Urban Development (HUD).

HOME is the largest federal block grant designed exclusively to create affordable housing for low income households. The HOME program helps to expand the supply of decent, affordable housing for low and very low income families by providing grants to state and local governments called participating jurisdictions, or "PJs." PJs then use their HOME grants to fund housing programs which meet local needs and priorities. PJs have a great deal of flexibility in designing their local HOME programs within the guidelines established by the HOME program. PJs may use HOME funds to help renters, new homebuyers, or existing homeowners.

HOME provides formula grants to states and localities that communities use—often in partnership with local nonprofit groups—to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or provide direct rental assistance to low income people.

Contact Information:

New Hampshire Housing Finance Authority
32 Constitution Drive
Bedford, NH 03110
1-800-640-7239
www.nhhfa.org

Technical Assistance

There are a number of state and quasi-public agencies that provide funding and professional expertise for planning, technical assistance, and pre-development activities. These resources can assist communities, and their development partners, in the early stages of a project moving it from planning into implementation.

New Hampshire Housing Finance Authority is a good place to find out what resources might be available, whether you are responding to a proposal that has been brought to you, or initiating one of your own.

Contact Information:

New Hampshire Housing Finance Authority
32 Constitution Drive
Bedford, NH 03110
1-800-640-7239
www.nhhfa.org

Donations and Fundraising Efforts

Contributions from local businesses, local financial institutions, and citizens can be earmarked to support affordable housing initiatives. This may include monetary and property donations, or some combination. If your community or organization is committed to fundraising you must be creative and persistent. In addition to the financial benefits, a well orchestrated fundraising effort can raise awareness of the various housing needs within the community and build support for future housing initiatives. You need to be vigilant that your fundraising efforts do not drain energy from your housing production efforts, but provide the necessary support.

Regional Partnership Model

New Hampshire State Law, RSA Section 162-G:15 allows municipalities to work together on economic development initiatives and share the revenue that is generated by such new activity. Currently, the towns of Bethlehem, Lisbon, and Littleton are participating in such a project as are Gilford and Laconia. What if we took this model one step further and generated housing units to support these new businesses?

The idea here is to use some of the initial taxes generated by the new development activity to build the infrastructure on a nearby site. This will make the cost per unit for a developer much lower, and would create an opportunity to increase the supply of workforce housing in the area.



Laconia, New Hampshire

Chapter 8

Alternative Development and Ownership Techniques

This section discusses alternative development and ownership models that communities can use to promote affordable housing. It includes strategies for lowering the initial development costs, and for protecting existing units from the market so that they remain affordable. New Hampshire's housing unit shortage and lack of affordable housing has left many communities seeking ways to keep the units they do produce permanently affordable.

Housing Authorities

Housing authorities are legal entities established by a municipality to provide low income family or elderly housing. New Hampshire's nineteen housing authorities are an important force in the effort to increase the diversity and number of units available in New Hampshire.

Because of their limited authority, and the lack of funding for public housing production in recent years, some of these authorities have created non-profit subsidiaries so that they can take advantage of other funding sources that are currently available, operate with fewer restrictions, and engage in a wider variety of development, including homeownership, mixed income or mixed use projects. This has happened in Keene, Portsmouth, Manchester, and Laconia, New Hampshire.

Community Development Corporations and Regional Non-Profits

New Hampshire has a network of non-profit housing providers including Community Development Corporations and regional non-profits (see the Appendix for a complete list).

New Hampshire's non-profit developers bring valuable assets to the table: a commitment to permanent affordability, access to dedicated funding sources not available to for-profit developers or communities on their own, and experience in administering a range of housing programs and development activities.

The regional nonprofits administer rental assistance programs; develop affordable housing; run housing rehabilitation, weatherization and first time homebuyer programs; operate homeless shelters; and provide technical assistance. A community may already have partnered with one of these organizations, even though local residents or officials may not be aware of it. Get in touch with them!

Housing Trusts

Housing trusts are non-profit corporations, often established by a city or town, to undertake affordable housing projects that reflect the goals of the community. The term *housing trust* is commonly applied to any local nonprofit housing entity established to undertake community initiated projects, including some of those that were established as offshoots of their local housing authorities. It should not be confused with an affordable housing trust fund, though many are set up to receive funds as well as acquire and develop housing.

Housing trusts reflect a desire on the part of communities to control their own housing agenda, and their awareness that to do so requires development capacity. Trusts, or other local non-profits, represent a vehicle by which a community can develop solutions that meet its own goals and priorities. Establishing a local development entity does not automatically bestow development expertise on the organization. It may be advisable to partner with an experienced developer.

New Hampshire communities need to think about how they will assist future homebuyers if prices continue to rise faster than incomes. If 80% of the area median income is insufficient to purchase an "affordable" unit when it becomes available, the community may need to look for ways to lower the cost to a level workers, families, and others can afford. In mixed income condominium developments the owners of the market rate units usually "subsidize" the monthly fees of the affordable owners. This may become an issue over time, especially if common area charges increase substantially.

Housing trusts can be established as regional entities as well. This may be an appropriate strategy in a region where there is insufficient activity to justify the creation of non-profits in every community. Because they can be structured with a broad range of powers, a housing trust can be effective even where there is adequate capacity among the local non-profit developers, by targeting particular unmet needs.

There are a number of ways for communities to ensure that units produced with public support and subsidies remain affordable for future homebuyers. Deed restrictions, mortgage restrictions, or other agreements made at the time of the initial sale can limit the amount of equity, or value, the homebuyer can expect to receive at resale. The formula for determining the allowable equity needs to be carefully constructed, however, to balance the goals of the program with the needs of the original and subsequent homebuyers.

Willow Crossing ~ Concord, New Hampshire

Developed by the Concord Area Trust For Community Housing (CATCH), this twenty unit multi-family housing development is located in the northern portion of Concord, New Hampshire adjacent to an elementary school. The structures boast the distinction of being the first fully certified Energy Star affordable housing development. The effort placed into creating units that require less energy to operate annually will benefit the residents long into the future with lower annual operating costs.

The housing units are a combination of two and three bedroom apartments. Four of the units are ADA accessible. The site also has a Concord Area Transit stop equipped with a shelter.



Contact Information:

Concord Area Trust for Community Housing
79 South State Street - Concord, NH 03301
603-225-8835
www.catchhousing.org

Community Land Trusts

Non-profit organizations created to acquire and hold land, often called community land trusts, may lease the use of the land to community residents. By removing all, or some, of the land costs from the creation of housing units, this model reduces the cost of ownership.

Sometimes community land trusts buy undeveloped land and arrange to have new homes built on it; other times they buy land and buildings together. In either case, the community land trust retains ownership of the land and sells (or rents) the units to the residents. The ground leases are typically long-term (99 years) and renewable. When homeowners decide to move on, they can sell their homes but not the land. Usually the land lease agreement gives the trust the right to buy the home back for an amount determined by a resale formula. Community land trusts can be used in conjunction with other tools and strategies, and the housing created may be of any form or tenure (rental, cooperative, condominium or fee simple ownership).

Community land trusts are often formed as grass-roots responses to specific local needs, and as a result, play varying roles including land preservation and commercial development. Many focus on increasing homeownership. In areas where the cost of housing is increasing sharply, the community land trust model can make homeownership possible for the local workforce who could otherwise not afford it. In communities suffering from disinvestment, this can result in reinvestment and owner occupancy without the displacement of long time residents.

Monadnock Community Land Trust

MCLT was organized in October, 1978 by a diverse group of individuals who dedicated themselves first to protecting farmland from speculative development, and then to creating affordable housing. Listed first among the purposes for which the non-profit corporation was formed are, “To acquire land and/or interests in land, to retain and/or convey interests in land on such terms and conditions as will conserve the



resources of the land and protect the environment of the local communities, to retain for the local communities any unearned increment in the market value of the land,” and, “To promote the health and vitality of local communities by undertaking programs to create affordable housing for low and moderate income, elderly, handicapped or otherwise disadvantaged people.”

Contact Information:
Monadnock Community Land Trust
c/o David Miller
61 Hearthstone Road
Wilton, NH 03086
603-654-2158

Limited Equity Homeownership

Limited equity homeownership limits the appreciation, or value, a homebuyer can expect to receive at resale or refinancing to an amount agreed upon at the time of purchase. This limitation on equity is an increasingly common technique for ensuring the continued affordability of housing built with public resources. Limited equity techniques are good, but are not free. Someone needs to be responsible for the long term monitoring of these units.

There are a number of ways for communities to ensure that units produced with public support and subsidies remain affordable for future homebuyers. Deed restrictions, mortgage restrictions, or other agreements made at the time of the initial sale can limit the amount of equity, or value, the homebuyer can expect to receive at resale. The formula for determining the allowable equity needs to be carefully constructed to balance the goals of the program with the needs of the original and subsequent homebuyers.

The Hearthstone limited development example mentioned earlier in this document was created by the Monadnock Community Land Trust referenced in the example on the previous page. The homes have transferred ownership using a limited equity model. The value of the home is calculated to include the cost of the structure when purchased or constructed, an increase for inflation, and documented improvements that have been made to the property. This has controlled the price of homes in this development, and the Town of Wilton assesses these properties at a lower rate than similar structures elsewhere in the community.

Another way to limit the equity of a unit is through design. In developments that have a mix of unit types and prices, units can be designed with less amenities than other market rate units in the development. Smaller unit sizes with less “extras” will naturally restrict the selling price to a lower level while still providing a quality living space. This can be done using smaller rooms, fewer windows, positioning on the site, or through the restriction of future expansion opportunities.



Dover, New Hampshire

Chapter 9

Strategic Alliances

For some communities their strongest ally in developing housing solutions may be a new partner: a private developer, a church, a business, a local hospital, a school, or an environmental organization. Throughout New Hampshire communities have found that creating effective strategies to address their needs, including the need for affordable housing, requires the engagement and resources of many individuals and interest groups. In some cases the allies may even come from neighboring communities. This has proved to be advantageous for many community needs, and could be part of the solution to New Hampshire's existing housing challenge.

Developers

The majority of housing units being created in New Hampshire are being designed and constructed by private developers, both for profit and non-profit. Involving developers in regulatory discussions can help a community understand what tools it will need to create the range of housing units that a community desires. Identifying areas that can accommodate higher densities, the range of housing that can be allowed by right, and understanding how barriers in the regulatory process can be removed will help a community encourage a healthy range of unit types. This increase in units created by developers will meet the market needs, and remove some of the pressure on existing lower priced units.

Employer Assisted Housing

Employer assisted housing programs provide financial, and technical assistance, to help employees locate or afford suitable housing. Such programs may take the form of a forgivable, deferred, or repayable second loan; a grant; a matched savings plan; or homebuyer education. An employer may also provide

financial assistance to renters by providing, or guaranteeing, the payment of security deposits and last month's rent where required.

Though still fairly rare, this benefit was common in the past, and is growing in popularity in many parts of the country where housing is scarce and prices are high. There are two roles for a community that wishes to use this approach to help address its affordable housing needs. The first is to promote the use of this by employers in the community. The second is to encourage new employers relocating to the area to collaborate with a community to address housing needs. Beyond assisting their own employees, some employers may even be encouraged to provide land or other support for the community's housing efforts, if there is a clear vision and an identified need they can help meet. FannieMae can provide free technical assistance, including a full set of planning steps and model documents on setting up EAH programs.

Town/Gown Collaborations

New Hampshire's college and university communities face a unique set of housing challenges. Collaboration between communities and colleges or universities in the support of affordable housing can be mutually beneficial. When a community engages the local school or university in a number of ways related to the local housing situation, they can be part of a solution that addresses broader needs as well. Getting college or university leaders drawn into the discussion and involved in a local housing organization is a positive step.

Park & Wheelock Rental Housing ~ Hanover, New Hampshire

This residential infill project was developed on an existing site at the corner of South Park and East Wheelock Streets in Hanover. This new development created a more dense and diverse neighborhood by combining 16 existing units and 22 new multi-family units. Developed and owned by Dartmouth College primarily for faculty and staff, this rental housing includes duplexes, four-plexes, and one eight-unit building.

Located in the downtown area of Hanover, this development provides affordable housing for a segment of the local population that needs it, and can make good use of being located within walking distance to both the downtown and the College campus. This reduces the amount of vehicle trips on local roads.

Contact Information:

Dartmouth College Real Estate Office
7 Lebanon Street - Suite 303
Hanover, NH 03755
603-646-2446

www.dartmouthre.com



Sometimes isolated from their surrounding neighborhoods, and sometimes overpowering them, higher education facilities present wonderful opportunities for collaboration. They are a powerful institutional presence, usually with influential leadership. Often, they are highly visible property owners and developers, and their policies and activities affect surrounding housing markets and land uses. Students living off-campus exacerbate housing supply problems in many neighborhoods. Academic institutions can also be helpful researching issues and crafting solutions. Their students and faculty are valuable resources for New Hampshire communities.

Affordable Housing and Historic Preservation

The historic preservation movement in New Hampshire has been a strong partner for affordable housing advocates over the years. Preservation and adaptive reuse interests should be involved in your housing organization, or committee, and can provide a valuable perspective as you monitor properties and explore the possibility of creating additional housing units in your community. These interests have produced successful collaborations in many communities, and often bring complementary financial tools and resources to the table.

Throughout New Hampshire schools, mills, industrial sites, commercial buildings, churches, and other properties have been transformed into affordable housing. The residential reuse of these vacant, or underutilized, properties has transformed neighborhoods and spurred redevelopment activity while providing quality affordable housing. These efforts should be viewed as mending and contributing to the fabric of the community.

Collaboration on historic preservation projects is not always easy. Depending on the needs of the structure, the extent of the renovation, the timeline for the project, and the associated costs, it may become too costly per square foot to create housing units.

Dow Academy ~ Franconia, NH

When Dow Academy no longer had a use for this structure, and several associated outbuildings, their future was uncertain. Located in the heart of Franconia Village, these structures were converted to a mix of commercial and residential uses.

Condominiums now fill the main school building, with office space in the lower levels, and residential units in the upper stories. This housing, adjacent to a town park and a short walk from the village center, has been a positive addition to the mix of unit types in Franconia, and has proven to be valuable in increasing activity in the village center. This reuse also helped preserve this important structure which is a key feature of the village.



Contact Information:
Town of Franconia
421 Main Street
Franconia, NH 03580
603-823-7752

Drewsville Manor ~ Walpole, New Hampshire

Completed in 1997 by Southwestern Community Services, the Drewsville Manor contains five affordable apartments ranging in size from one to three bedrooms. Located on the common in Walpole's historic Drewsville Village, the manor's new role in the community as a source of affordable housing units also preserved the structure itself. The project was made possible through a combination of low income housing tax credits and federal preservation tax credits.



Community Development Block Grant funds and funding from the Town of Walpole were then used to rehabilitate the carriage house which now houses the Head Start program.

Contact Information:

Southwestern Community Services
69-Z Island Street - Keene, NH 03431-0603
603-352-7512
www.scshehelps.org/

Affordable Housing With Conservation

Forging alliances with conservation groups to create or preserve affordable housing can be a win-win approach.

Such collaborations often involve limited development, development with conservation restrictions attached, farm acquisitions where the buildings are maintained or reused as housing, or the transfer of development rights. Conservation groups should regularly be represented in housing partnerships or committees. Working together, and using limited resources wisely, the two groups can forge strategies that increase the supply of affordable housing, where it is most suitable, while preserving critical natural resources elsewhere in the community. With increased focus on community preservation and smart growth, housing advocates and conservationists in many cities and towns are seeking opportunities where their limited financial resources can go twice as far by preserving both open space and affordable housing.

This may be a hard sell initially. Conservation groups have a specific focus, and this effort will be asking them to broaden their focus to also encompass housing needs that are important to the community. By meeting dual community objectives, they may be able to get involved in the protection of key areas on a greater number of parcels in their area. This strategy also provides an opportunity for developers to become engines for conservation.

Regional Approaches

Promoting collaboration between neighboring communities to address regional housing needs is an approach that some New Hampshire communities have started to use. Regional cooperation is essential if problems resulting from fragmented land use planning and local decision making are to be dealt with appropriately. Regional planning commissions are a wonderful place to begin this dialogue. In several communities the impetus for collaboration has come from the housing non-profits who identified redundancies or gaps in their delivery system that could be addressed through regional collaboration. Regional planners have expertise in a range of areas and are available to discuss specific projects or issues with local officials, affordable housing proponents, and the public.

Some of New Hampshire's regional planning commissions have employed outreach and education techniques to begin to foster regional collaboration on the issue of affordable housing. This is an important role, and these activities should continue as an approach to keeping the issues of housing availability, affordability, and diversity visible to New Hampshire's residents and leaders.



CATCH Property - Concord, New Hampshire

Conclusion

Pulling It All Together to Create Community!

Efforts to promote affordable housing can, and should, complement efforts to stem sprawl and preserve open space. Smart growth encourages communities to increase housing choice, not only by modifying land use patterns on newly developed sites, but also by increasing the supply in existing neighborhoods and on land served by existing infrastructure.

Similar to ongoing smart growth efforts in New Hampshire, the strategies highlighted in this handbook employ a combination of tactics to address affordable housing and land use patterns within the community. A few communities have started to “package” zoning changes to increase the supply of affordable housing with efforts to protect open space, and direct growth to areas with the infrastructure to support it.

Because affordable housing and smart growth objectives are compatible, forging a strong alliance between these two constituencies is a smart policy for all communities. This will require analysis of the existing zoning ordinance and the master plan, and may require significant changes to the zoning language. This analysis and implementation is necessary because smart growth is not a specific tool, but rather a comprehensive strategy of zoning and land use tactics.



Orford, New Hampshire

Appendix

Sample Long Term Affordability Document, Courtesy of The Workforce Housing Coalition of the Greater Seacoast

Regulations

“New Residential Development and School Enrollment: Just the Facts”

Tax Increment Financing Bulletin

Community Development Corporations and Regional Non-Profits

Links to Additional Resources

Achieving Smart Growth in New Hampshire - <http://www.nh.gov/oep/programs/SmartGrowth/index.htm>

Affordable Housing, Education, and Development (AHEAD) - <http://www.homesahead.com/>

Concord Area Trust for Community Housing (CATCH) - <http://www.catchhousing.org/>

Fannie Mae - <http://fanniemae.com>

National Association of Realtors - <http://www.realtor.org/>

New Hampshire Community Loan Fund - <http://www.nhclf.org/>

New Hampshire Housing Finance Authority - <http://www.nhhfa.org>

New Hampshire Office of Energy and Planning - <http://www.nh.gov/oep>

New Hampshire's Regional Planning Commissions - <http://www.nharpc.org/>

Northern New England Housing Investment Fund - <http://www.housinginvestmentfund.org>

Regulatory Barriers Clearing House - <http://www.huduser.org/rbc/>

USDA Rural Development - <http://www.rurdev.usda.gov/>

US Department of Housing and Urban Development - <http://www.hud.gov/>

Vermont Housing and Conservation Board - <http://www.vhcb.org/>

Workforce Housing Coalition of the Greater Seacoast - <http://www.seacoastwhc.org>

Developed as part of the *Achieving Smart Growth in New Hampshire* project, the following smart growth principles can be helpful in the analysis of existing regulations, and then guiding and supporting the creation of new housing alternatives in New Hampshire communities:

Maintain traditional compact settlement patterns to efficiently use land, resources, and investments in infrastructure;

Foster the traditional character of New Hampshire downtowns, villages, and neighborhoods by encouraging a human scale of development that is comfortable for pedestrians and conducive to community life;

Incorporate a mix of uses to provide a variety of housing, employment, shopping, services, and social opportunities for all members of the community;

Preserve New Hampshire's working landscape by sustaining farm and forest land and other rural resource lands to maintain contiguous tracts of open land and to minimize land use conflicts;

Provide choices and safety in transportation to create livable, walkable communities that increase accessibility for people of all ages, whether on foot, bicycle, or in motor vehicles;

Protect environmental quality by minimizing impacts from human activities and planning for and maintaining natural areas that contribute to the health and quality of life of communities and people in New Hampshire;

Involve the community in planning and implementation to ensure that development retains and enhances the sense of place, traditions, goals, and values of the local community; and,

Manage growth locally in the New Hampshire tradition, but work with neighboring towns to achieve common goals and address common problems more effectively.

New Hampshire communities can take charge of their own housing destinies if they possess the:

- Vision
- Local support
- Community organizing and communication skills
- Appropriate tools and regulations
- Range of partnering organizations

Now it is time to identify approaches that match the needs of your community! What will the existing and future residents require for housing? How well are you meeting the current housing needs? How can a diversity of future housing units be accommodated in your community? New Hampshire Housing Finance Authority encourages you to follow up on the many projects and programs featured in this document. All of the references to specific regulatory language that have been featured have also been included in the Appendix. A list of additional contacts and sources of information has also been included.

New Hampshire Housing Finance Authority
32 Constitution Drive, Bedford, NH
P.O. Box 5087, Manchester, NH 03108
(603) 472-8623 TDD (603) 472-2089
www.nhhfa.org